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The Department of Agriculture Reduces Cost Throughus DEPT OF AGRICULTURE LIBRARY

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INVOLVEMENT

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INCENTIVES

Director of the Bureau of the Budget Charles L. Schultze Addresses Third Annual USDA Cost Reduction Awards Ceremony, March 28, 1967, in Administration Building Patio. A warm welcome to the ceremon is extended to . . .



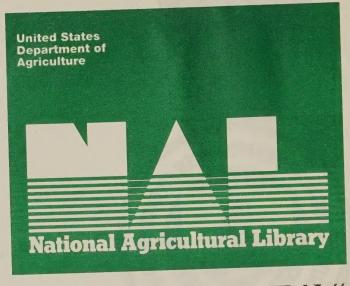
• Budget Bureau Director Charles L Schultze by Director of USDA's Office of Budget and Finance Charles L. Grant . . .



• Chairman of the Civil Service Commission John W. Macy, Jr. by USDA Director of Personnel Carl B. Barnes . . .



• Administrator of the General Services Administration Lawson B. Knott, Jr. (center), and Federal Supply Service Commissioner H. A. Abersfeller by Director of USDA's Plant and Operations Elmer Mostow.





EXCERPTS FROM THE KEYNOTE ADDRESS . . .

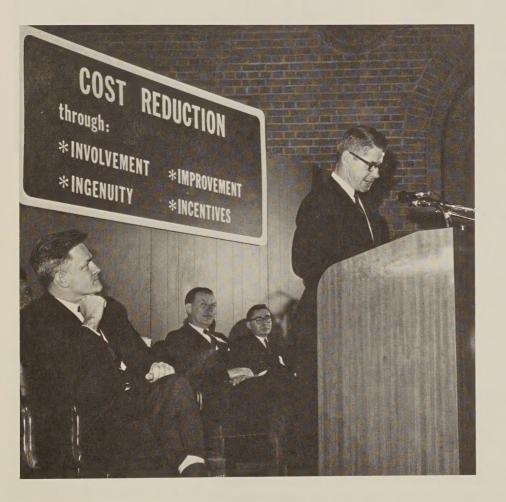
"I'm aware of the fact that cost reduction is frequently regarded as a negative sort of activity. But let me emphasize this is just not so—that cost reduction is a positive force. Cost reduction means getting more benefits with the same dollars—it means using the taxpayers' resources more effectively . . .

"To all those who have contributed to the Department's cost reduction program, the big contributors and the small contributors, and the medium-sized contributors as well, we are here now to salute you as equals . . .

"We're also here to talk about tomorrow—Agriculture/2000 and its challenges. I know some of you—I hope most of you are aware of the new Planning, Programming, and Budgeting System. Agriculture/2000 is PPB in that it signifies that the Department of Agriculture is today working for a better tomorrow by defining objectives, determining the best way of attaining these objectives, and setting a deliberate course of action . . ."

Charles L. Schultze Director, Bureau of the Budget

3RD ANNUAL USDA COST REDUCTION CEREMONY MARCH 28, 1967



"Our success in the search for new ways to increase the efficiency of the USDA depends on the interest and ingenuity of all of us who work here.

"The successes we celebrate are those of yesterday. The goals we set today will be the successes of tomorrow.

"New goals must be set. Our sights for the future must be raised.

"We have increasing responsibilities and opportunities on the national and world scene. We must constantly seek better ways to meet these responsibilities and opportunities.

"In cost reduction as in all other efforts, when the ways of the past work best we will use them, but we know that the ways of the past will not always serve tomorrow.

"Better ways must be found. That is the meaning of AGRI-CULTURE / 2000 . . . "

> ORVILLE L. FREEMAN Secretary of Agriculture

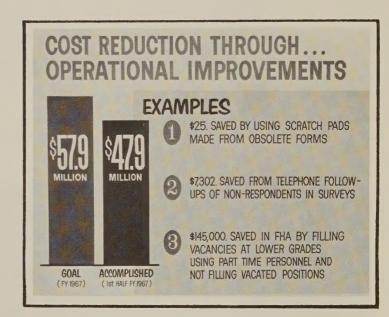


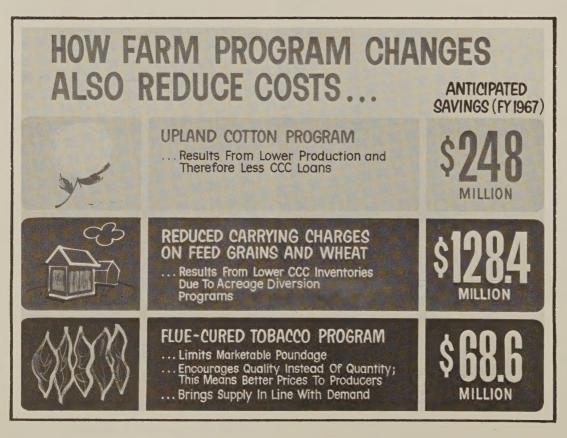
AGRICULTURE/2000

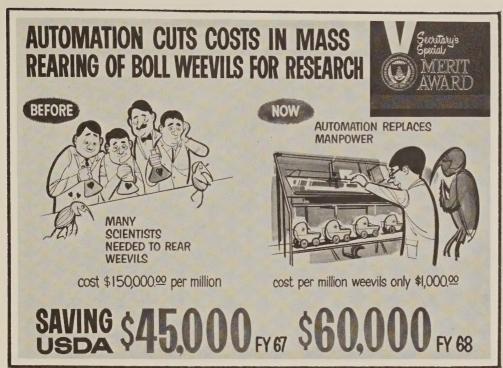
In Recognition of These Accomplishments . . .

SAVINGS OF \$25—\$7,302—\$145,000 ARE TYPI-CAL of the "price tags" on the large and small things employees throughout the Department of Agriculture are doing to hold the line on costs. Our goal is to save almost \$58 million before the end of the fiscal year by improving the way we do our work and stretching scarce tax dollars.

CHANGES IN FARM PROGRAMS WILL CUT COMMODITY CREDIT CORPORATION COSTS in fiscal 1967 almost \$445 million—based on current projections. Added to the \$58 million expected from operational improvements, the "price tag" on the USDA's cost reduction effort this year should total over one-half billion dollars.







DOWN GOES THE COST OF RAISING INSECTS FOR RESEARCH—OLD METHODS enabled us to produce 1,500 boll weevils a week for research. The hand operation cost \$150 per thousand. NEW METHOD, employing maximum automation, will produce 250,000 weevils a week for only \$1 per thousand.

The award was presented to Robert T. Gast, Agricultural Research Service.



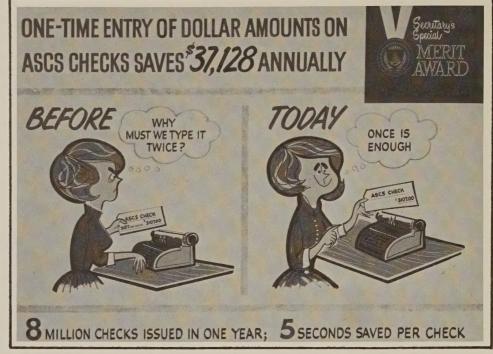


The award was presented to George R. Derschuch, Agricultural Research Service.

The workload of plant quarantine inspectors at U.S. land, sea, and air ports of entry goes up steadily. Increasing international traffic brings in more baggage, cargo, and carriers to be inspected for hitch-hiking pests and diseases harmful to U.S. plants and animals. WE NEEDED TO BUY OR GENERATE MORE MANPOWER. So! A pilot survey of operations at the Maritime Port of New York was conducted. THE RESULT: Six adopted recommendations yielded 9 man-years and \$76,600 which could be used elsewhere.



SAVING 5 SECONDS DOESN'T SOUND LIKE MUCH, but when you do it 8 million times a year it adds up. It adds up to the tune of 8 manyears or \$37,128 saved each year.



The award was presented to Martha Sullivan, Agricultural Stabilization and Conservation Service.

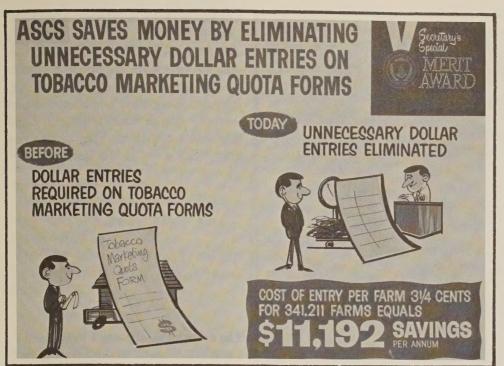






The award was presented to Thomas E. Street, Foreign Agricultural Service.

TRANSFERRING FUNCTIONS TO AVOID DUPLICATE PROCESSING made possible a reduction in staff worth \$18,400 a year.



Dollar figures were placed on certain tobacco forms for a reason once upon a time, but times change and now, thanks to this cost-saving idea, so have the tobacco forms. CATCHING UP TO THE TIMES SAVED OVER \$11,000 through not collecting and processing data no longer of value.

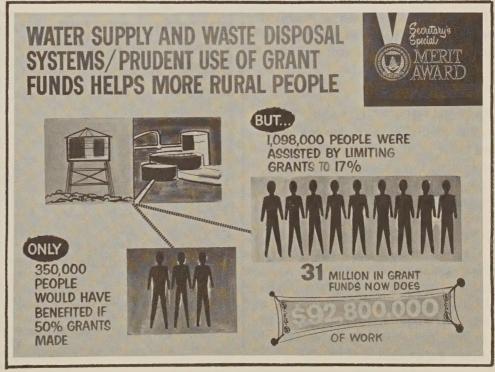
The award was presented to Myrtle W. Anderson, Agricultural Stabilization and Conservation Service.

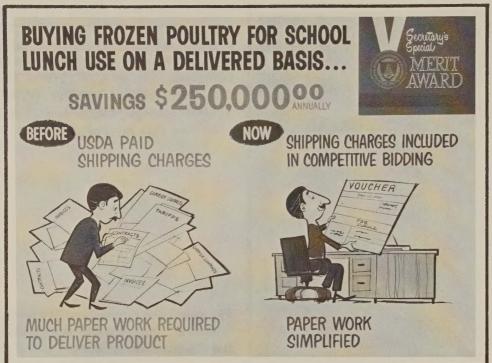




The award was presented to Henry A. Palm, Farmers Home Administration.

A nationwide policy on distribution of grant funds for rural water and sewer projects allowed over 748,000 more people to receive service at rates comparable to communities with similar economic status. In effect, \$31 MILLION IN GRANTS WAS STRETCHED to benefit the same number of communities which would have required grants of \$92 million.





CHANGED PURCHASE METHOD LOWERS COSTS—Making shipping charges a part of the competitive bidding process gave suppliers an incentive to reduce shipping costs. Result, lower shipping costs and elimination of shipping charge verification and reimbursement activities. Thus saving one quarter of a million dollars annually.

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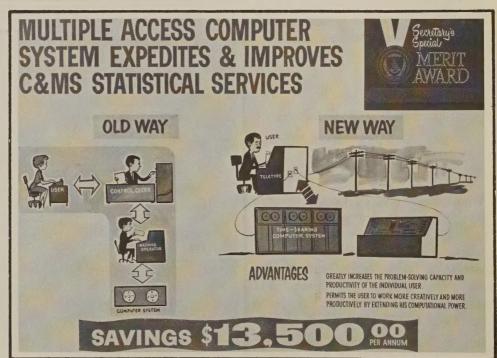
The award was presented to Richard C. Larkin, Consumer and Marketing Service.





The award was presented to Philip N. Brown, Consumer and Marketing Service.

TIME SHARING TO SAVE TIME
—The Statistical Staff needed more
and faster computer computation service to meet the increasing needs of the
Agency for answers to problems expressed in complex mathematical-scientific formulae. SOLUTION: Subscribe to a Multiple Access Computer,
a machine time sharing arrangement
which connects the subscriber to a
central computer by teletype. RESULT: It has the effect of putting a
computer on your desk. Answers to
questions are received in a matter of
seconds saving time and money.

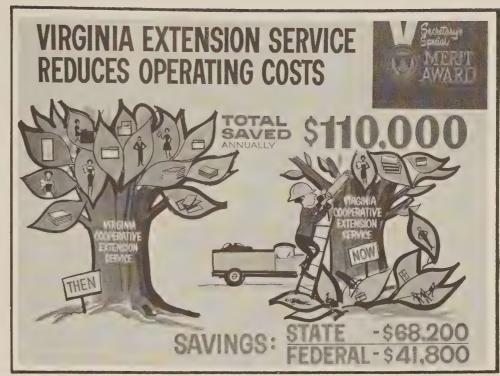


ACTIONS REDUCE OVERHEAD COSTS—The Virginia Cooperative Extension Service recently . . .

- Reduced from 15 to 6 the number of district staff members doing administrative work, saving \$25,000 . . .
- Reduced from 200 to 100 the number of county staff members doing administrative work, saving \$16,000 . . .
- Consolidated Extension unit offices saving rent, equipment, and service costs of \$69,000.

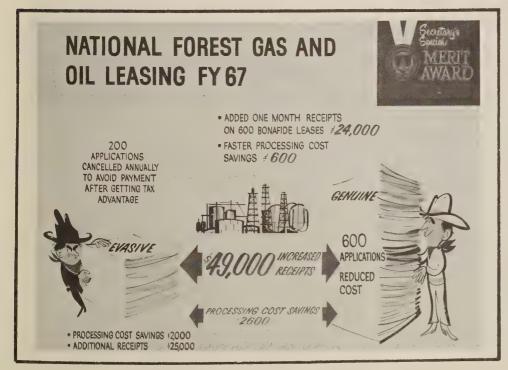
Total annual savings were \$110,000 of which \$41,000 or 38 percent were Federal funds.

The award was presented to William E. Skelton, Cooperative Extension Service.









The award was presented to Walter T. Lewiecki, Forest Service.

PROBLEM: Cumbersome and involved mineral leasing requirements were upping costs and encouraging false mineral applications. SOLUTION: Special lease stipulations were no longer required thereby reducing processing time by 30 days. This action eliminated spurious applications and added 1 month's revenue to the U.S. Treasury on bonafide mineral leases. Savings: \$49,000 increased receipts to the U.S. Treasury and \$2,600 cost reduction savings in 1966.



The capacity to search all the forest pathology literature citations issued since 1940 at electronic speed saves scientific personnel time. Time worth \$78,200 annually inside the Federal Government and \$130,700 annually to the rest of the scientific community was saved last year. THESE SAVINGS ARISE FROM AN INVESTMENT OF ONLY \$9,000 IN DEVELOPMENT COSTS.

The award was presented to George H. Hepting, Forest Service.

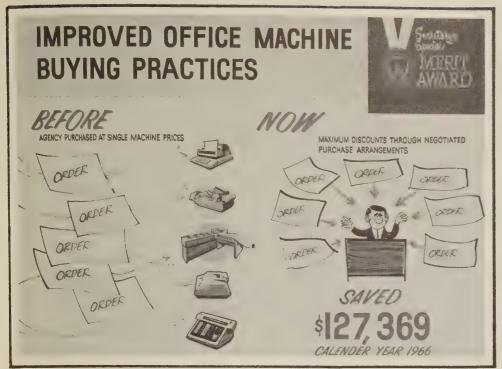




The award was presented to Jeff D. Ardoin, Department of Commerce.

THE OLD WAY: Every 3 years the local private housing rental market must be surveyed to reappraise quarters rental rates. In the Forest Service this private rental survey involved onsite sampling of about 2,700 private rentals in numerous communities across the Nation. A BETTER WAY: In lieu of sampling the private rental market, the Forest Service applied a specially designed Consumer Price Index to the established base rental rates. The new method has potential application elsewhere in Government.





The individual agencies of the Department do not have the volume procurement to qualify for maximum available discounts. TO TAKE ADVANTAGE OF VOLUME DISCOUNT PROCUREMENT, arrangements were made with major office machine companies to accept Department-wide orders. These arrangements permitted the agencies to make office machine purchases at the lowest available prices.

The award was presented to Ralph G. McIntyre, Office of Plant and Operations.



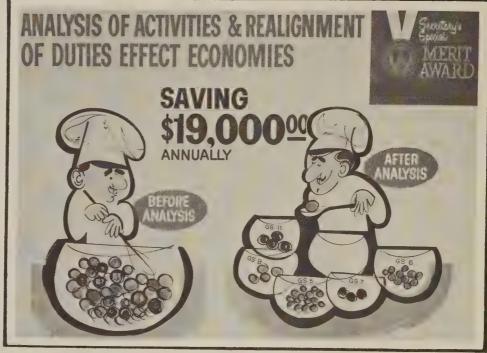


The award was presented to John R. Broome, Office of Management Improvement.

The Department of Agriculture was the pilot agency of the Federal Government to enter into A COST-SAV-ING THIRD-PARTY LEASING ARRANGEMENT for its electronic accounting machine equipment. Rental costs for the equipment placed under this arrangement were reduced by a sweeping 23.6 percent. This represents a 12.3 percent reduction on Agriculture's total punched card equipment rentals.



Area staffing adjustments were made to align duties more closely with grade levels. This resulted in A BETTER BALANCED AND LESS EXPENSIVE STAFF WITH IMPROVED SERVICE TO FARMERS AND RANCHERS.



The award was presented to Henry W. Fausch, Soil Conservation Service.





SCS CUTS COSTS BY MAKING ITS OWN AUGER BITS

BEFORE

PURCHASED COMMERCIALLY AT \$70.00 EACH

SAVINGS \$11.000 ANNUALLY

The award was presented to James D. Crye, Soil Conservation Service.

The development of A PROCEDURE FOR THE CONSTRUCTION OF AUGER BITS using regular steel pipe saves \$59 per bit. The value of this cost-saving action was increased by the DEVELOPMENT OF A METHOD FOR BUILDING THE WELDING ROD NEEDED TO CONSTRUCT THE AUGER BIT at a savings of \$13.35 per pound.

MORE ACCURATE INTERPRETATIONS OF SOIL TYPES THROUGH IMPROVED EQUIPMENT—A special bucket type auger was designed to obtain high quality soil samples. This modification eliminated the necessity of leasing equipment or going through the previous time consuming method.



The award was presented to Aldus F. Martin, Soil Conservation Service.





The award was presented to Richard G. Flenner, Soil Conservation Service.

PREPRINTED FORM SIMPLIFIES REQUISITION OF SUPPLIES—Requisitions for GSA stores stock required extensive typing of numeric information in coded form. This method increased the chance of error. Requisitions were preprinted with the 100 most commonly used supply items. This preprinted form makes for faster preparation, fewer errors, fewer references to procedural manuals, as well as less complicated typing.

Each full field investigation for security clearance costs USDA agencies \$415. Analysis of prior work history is made to determine the possible existence of a prior report made by other agencies of the Government. When found, these reports are used, thereby ELIMINATING THE COST OF A NEW INVESTIGATION.

MAXIMUM USE OF EXISTING INVESTIGATIVE DATA

SAVES USDA
\$26,800 CALENDAR YEAR 1966

Arthur P. Steuerwald accepted the award for the Personnel Security Group, Office of Personnel.





PUBLICATIONS CONTROL PROGRAM

SAVES ABOUT \$270,000 PER YEAR*

FEWER • SHORTER • SIMPLER PUBLICATIONS

OVER \$800,000 PER YEAR*

H. Nelson Fitton accepted the award for the Agency Publications Control Officers.

THE USDA PUBLICATIONS CONTROL PROGRAM is a continuing effort and has three main goals: simpler, shorter, and fewer publications to keep the public informed of USDA programs. Under the leadership of the Office of Information, agencies have shown skill and imagination in achieving these goals by saving approximately \$270,000 a year. Since the inauguration of the program in January 1964, the savings have totaled over \$800,000.



POOL LABOR TO BUILD HOUSES AT REDUCED COST—Rural families can form an organization and contribute their labor to building the other members' homes. Each family obtains a loan to buy a lot and building materials, and pay for any necessary skilled labor the pool members cannot perform. Had the borrowers not used their own labor, their homes would have cost at least 25 percent more. "Mutual Self-Help" represents a saving of loan funds totaling \$344,685.

The award, presented to Arthur M. Collings, Jr., and Ralph B. Johnson, was accepted by Collings, Farmers Home Administration.





The awards were presented to Pedro Catoni-Martin and Sergio Morales-Crespo, Soil Conservation Service. The picture shows Morales-Crespo.

Conventional surveying equipment was used to get differences in elevation between spring locations and other sites for storage tanks and water troughs on steep slopes in Puerto Rico. THROUGH THE USE OF ALTIMETERS TO GET THE DIFFERENCES IN ELEVATION, considerable increase in efficiency resulted with a savings of time on identical surveys of as much as 75 percent.



OLD U.S. CAVALRY BARN USED AGAIN—This old barn had been used by the U.S. Army Cavalry to house brood mares many years ago. We urgently needed a feeding facility for cattle research. So, with salvaged and surplus materials (Honest John missile casings, galvanized plumbing, lumber from razed buildings, etc.) the old horse barn was converted to this modern facility, housing 80 cattle. It cost only \$8,400, but could not have been built for less than \$25,000.



The award was presented to Bob M. Priode, Agricultural Research Service.





SAVINGS \$96,300

Albert H. Higgins accepted the award for the Methods Improvement Operations Team, Agricultural Research Service.

OBJECTIVE: To reduce the dosage of expensive chemicals to the absolute effective minimum in the control of insect pests. A methods improvement team conducted a series of studies and evaluations in the 3-State area of Michigan, Indiana, and Illinois. RESULTS: Dosage in aerial spraying for cereal leaf beetle control was reduced 20 percent (5 to 4 fluid ounces per acre). SAVINGS: In the 3-State area 1,615,621 acres were treated in the spring of 1966 at a reduction of \$96,300.

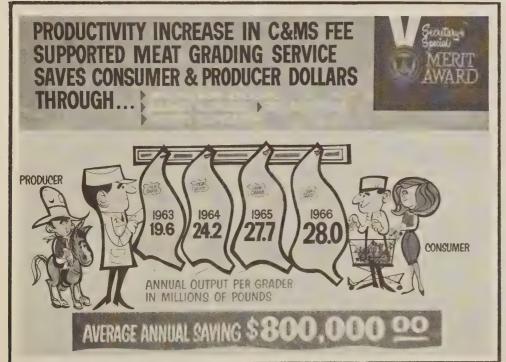
SIMPLIFIED POLLING PROCE-DURE SAVES DOLLARS—Administrative savings through mail balloting represent a 62 percent reduction from the costs of community polling places. The Government savings of over a quarter of a million dollars can be determined, but who knows what this saves the busy farmer.

Ray Fitzgerald accepted the award for the Special Group on Farm Referenda (Joint Suggestion), Agricultural Stabilization and Conservation Service.









John C. Pierce accepted the award for the Meat Grading Management Group, Consumer and Marketing Service.

INDUSTRY COOPERATES TO REDUCE COSTS—With the costs of providing meat grading service rising steadily, there was need for developing greater efficiency to keep the hourly fee charged for the service within reason. ACTION TAKEN: In 1963 a cooperative program for better utilization of manpower was launched. Workloads were balanced and overtime reduced. As a result output per grader increased over 40 percent between 1963 and 1966.



REVISE SPECIFICATIONS, REDUCE COSTS, INCREASE SERVICE—Changing packaging specifications for shortening reduced Government procurement costs. The larger quantity packages also conform more to the needs of the schools and nonprofit institutions receiving them. Thus, costs were reduced and service improved through one action.

Charles M. McGuire accepted the award for the Commodity Operations Group, Consumer and Marketing Service.





Ersel H. Matthews accepted the award for the Corpus Christi Cotton Classing Group, Consumer and Marketing Service.

DESIGNING A SPECIAL WORK TABLE AND SYSTEMATIZING THE WORK FLOW RESULTED in more accurate, easier to supervise operations. It reduced personnel requirements 50 percent. This system, the result of an employee suggestion, is now standard in all cotton offices.





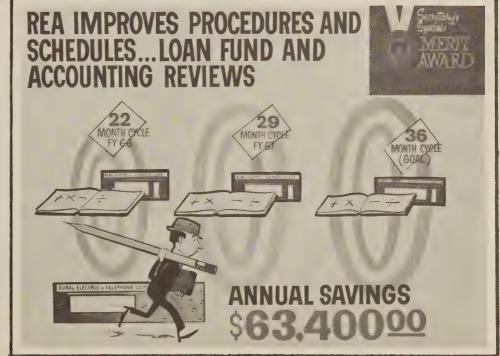
SHARP PERSONNEL CUT COSTS
—Constant, unrelenting, aggressive action coupled with an intimate knowledge of the ocean transportation market enabled sharp Government negotiators to negotiate lower ocean transportation rates saving the U.S. Government over \$1 million this year.

Joseph A. Ryan, Jr. accepted the award for the Ocean Transportation Rate Negotiating Group, Foreign Agricultural Service.





Joseph Vellone accepted the award for the Ad Hoc Committee for Review of Field Auditing and Accounting, Rural Electrification Administration.



A LONGER CYCLE BETWEEN REVIEWS OF THE OPERATIONS OF A PARTICULAR BORROWER RESULTED IN SAVINGS of 5.9 manyears and \$63,400 this year.



STRONGER STEEL SHACKLES STYMIE STEALERS—The brass shackles of Forest Service padlocks were too soft to prevent certain acts of vandalism. SOLUTION: An employee suggestion led to the revision of padlock procurement specifications. Hardened steel shackles were used. RESULTS: Stronger padlock and \$6,000 estimated annual Service-wide savings.

Elk and deer hunting pressures on the Chesnimnus Ranger District were causing lower recreation values along forest roads, increased maintenance costs, and potential water pollution problems. A "SACK-THE-LITTER" CAMPAIGN WAS ORGANIZED. Local public support was enlisted through widespread local publicity and making available information services, litter bags, and debris retrieval. RESULTS: Approximately 3,500 clean hunter camps and a savings of \$16,400 in 1966.





SAVINGS IN FORMS MANAGE-MENT—The design and control of forms in the Foreign Agricultural Service was not effective. As a result, inefficient poorly designed forms were used with correspondingly high costs. SOLUTION: Provide the Foreign Agricultural Service with the most efficient forms for use in accomplishing its major objectives. This was accomplished by controlling the development, content, and use of all forms used by FAS. RESULT: \$14,000 savings this year.

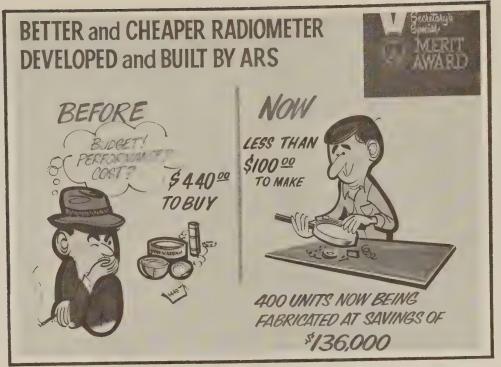
The awards were presented to Jerry L. Barringer and Gladys G. Grear, Foreign Agricultural Service.





PROBLEM: The increased use of ADP equipment in support of economic research created a need for improving communication between economists and operators of this equipment. The economist, having little or no knowledge of computer techniques, could not present his problem in a form that was readily understandable to a computer technician. SOLUTION: Teaching the FORTRAN computer language to the economists provided a communication link saving time and money.





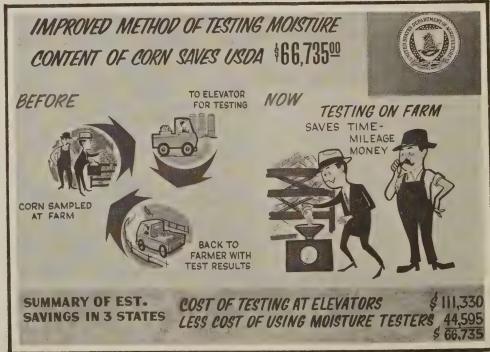
Scientists studying water use NEEDED AN INSTRUMENT to measure net solar radiation. Those available on the market were expensive (from \$440) and difficult to interpret and maintain. SO RESEARCHERS DEVELOPED and are producing a simple, inexpensive device (less than \$100 each). FOUR HUNDRED of these will be used at 47 field stations.



The awards were presented to Lloyd E. Myers... and to Jan Van Schilfgaarde, Agricultural Research Service.



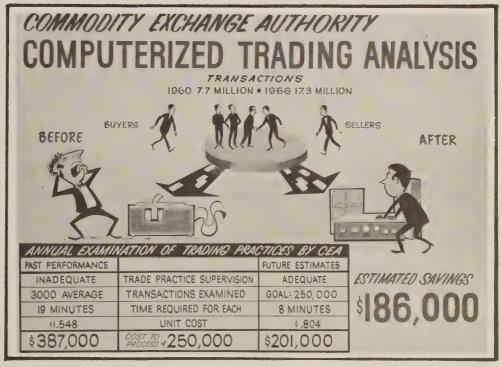
The Federal Crop Insurance Corporation found that by using PORTABLE CORN MOISTURE TESTERS ON THE FARM that it could save \$66,735 this year. Field personnel formerly took the samples to a grain elevator for testing. Insured farmers who have suffered crop damage are happier with this new method also—each can observe the test results for himself, on the spot. Money saved and more satisfied customers—this is the ultimate in cost reduction.

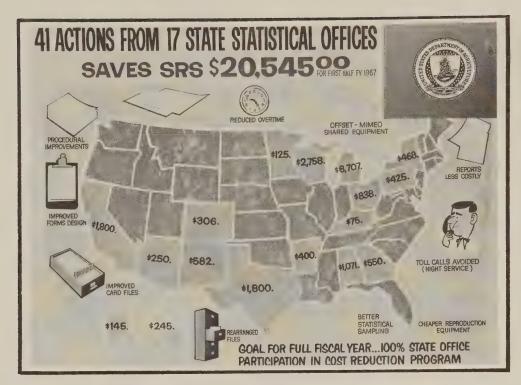




CONSOLIDATION CAPTURES SAVINGS—Two staff divisions were merged into a single division with net savings from the elimination of two positions, at the GS-15 and the GS-7 level. Additional action was taken to realize the full potential for savings through elimination of duplicate administrative work, files, and storage facilities. This action resulted in annual savings of 2.4 man-years and \$28,100 in administrative costs.

With the volume on the commodity markets more than doubling in the past 6 years, manual methods could not provide adequate analysis of trading practices. SOLUTION: Automate the analysis process. RESULTS: When the computerized system is installed the number of transactions examined will increase 83 times, but the unit processing costs will be nearly halved.

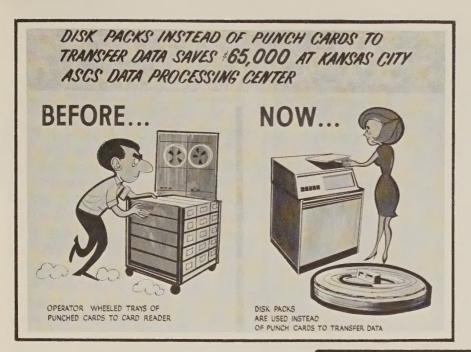




NO SAVING IS TOO SMALL in an agency like the Statistical Reporting Service that operates coast to coast and in Alaska and Hawaii, too. Cost-cutting actions range from use of old data processing cards for needed manual files to the redesign of statistical survey procedures.

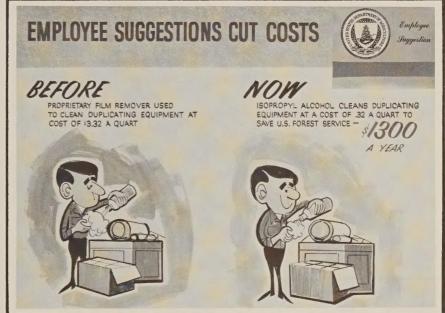
A NEW ADMINISTRATIVE BREED HAS EMERGED—The position manager does more than perform the very important function of putting the right grades on each job in a unit. He looks at the unit as a whole. He recommends ways of streamlining organizations, sometimes redesigns the entire task structure in a given unit or units. In these and other ways agency position management programs have saved almost \$3 million this fiscal year.





The Kansas City Federal Reserve Bank now sends a machine processable "disk pack" containing all ASCS sight drafts processed by their automated system to the Kansas City ASCS Office. This becomes a direct input to the automated ASCS processing system. Thus a more involved, error prone, time consuming, and costly duplicate data conversion operation is eliminated.

High maintenance costs of copying equipment were resulting from the use of expensive film remover. COSTS WERE CUT when it was found that isopropyl alcohol would do the same job for less cost without loss of effectiveness.





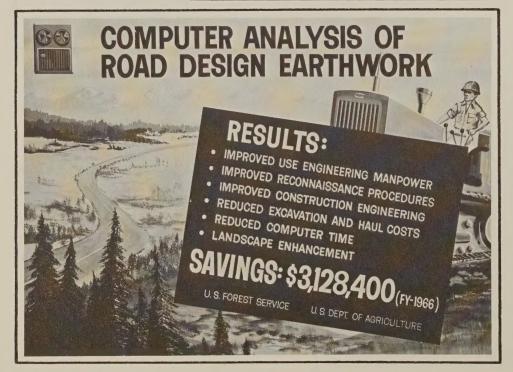
TIMING CHANGE CREATES INTER-DEPARTMENT SAVINGS—ASCS county offices now receive operating expense money monthly instead of quarterly. This change in the timing reduces financing costs to the Treasury by over half a million dollars annually.



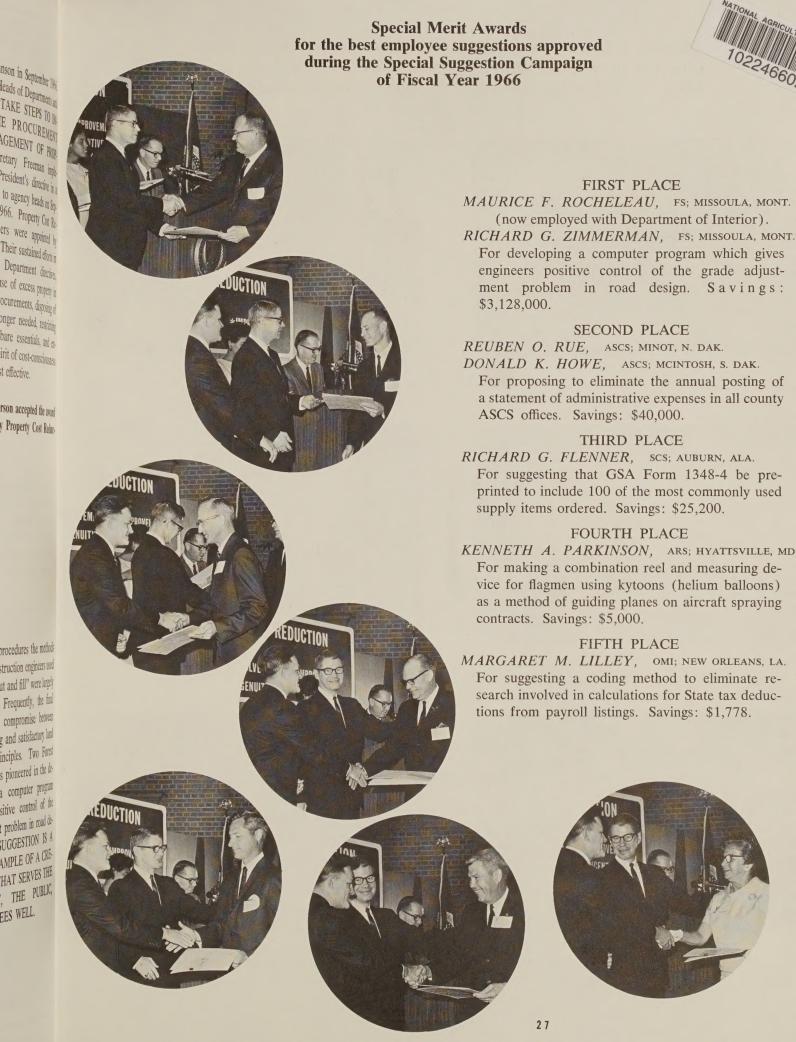


President Johnson in September 1966, directed the Heads of Departments and Agencies to TAKE STEPS TO IM-PROVE THE PROCUREMENT AND MANAGEMENT OF PROP-ERTY. Secretary Freeman implemented the President's directive in a memorandum to agency heads on September 29, 1966. Property Cost Reduction Officers were appointed by each agency. Their sustained efforts in implementing Department directives, emphasizing use of excess property in lieu of new procurements, disposing of property no longer needed, restricting purchases to bare essentials, and encouraging a spirit of cost-consciousness have been most effective.

Gerald E. Ryerson accepted the award for the Agency Property Cost Reduction Officers.



Under former procedures the methods which road construction engineers used to determine "cut and fill" were largely "cut and fit." Frequently, the final product was a compromise between good engineering and satisfactory land management principles. Two Forest Service engineers pioneered in the development of a computer program which gives positive control of the grade adjustment problem in road design. THEIR SUGGESTION IS A SPLENDID EXAMPLE OF A CRE-ATIVE IDEA THAT SERVES THE GOVERNMENT, THE PUBLIC, AND EMPLOYEES WELL.



Director Schultze, Chairman Macy, Administrator Knott, Secretary Freeman, and Other Officials Tour the Cost Reduction Posters and Discuss Savings With Agency Administrators...



Horace D. Godfrey (left), Administrator, Agricultural Stabilization and Conservation Service.



Donald A. Williams, Administrator, Soil Conservation Service.



S. R. Smith, Administrator, Consumer and Marketing Service.



George W. Irving, Jr., Administrator, Agricultural Research Service.



Edward P. Cliff, Chief, Forest Service.



Lloyd H. Davis (left), Administrator, Federal Extension Service, and Norman M. Clapp, Administrator, Rural Electrification Administration.